

State of Alaska FY2011 Governor's Operating Budget

Department of Commerce, Community, and Economic Development Alaska Energy Authority Power Cost Equalization Component Budget Summary

Component: Alaska Energy Authority Power Cost Equalization**Contribution to Department's Mission**

Reduce the cost of electricity for residential customers and community facilities in rural Alaska.

Major Activities to Advance Strategies

- Verify eligibility and process monthly Power Cost Equalization (PCE) payments.
- Produce annual statistical report of PCE program.
- Calculate the prorated PCE funding level.
- Technical assistance.
- Provide utility clerk training.

Key Component Challenges

Because of high turn-over rate of staff in the 87 rural utilities (representing 183 communities) participating in the PCE program, the training and assistance to the utility staff continues to be a challenge.

Significant Changes in Results to be Delivered in FY2011

No significant changes to component.

Major Component Accomplishments in 2009

Trained nine utility clerks.

Statutory and Regulatory Authority

AS 42.45 Rural and Statewide Energy Programs
3 AAC 107 Grant Programs
3 AAC 52.600 Criteria for Determination of Power Cost Equalization

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Alaska Energy Authority Power Cost Equalization Component Financial Summary

All dollars shown in thousands

	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	1.5	0.0	0.0
73000 Services	158.5	160.0	300.0
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	37,400.0	37,500.0	36,000.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	37,560.0	37,660.0	36,300.0
Funding Sources:			
1004 General Fund Receipts	9,400.0	16,767.3	12,626.4
1089 Power Cost Equalization Fund	28,160.0	0.0	0.0
1169 PCE Endowment Fund	0.0	20,892.7	23,673.6
Funding Totals	37,560.0	37,660.0	36,300.0

**Summary of Component Budget Changes
From FY2010 Management Plan to FY2011 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2010 Management Plan	16,767.3	0.0	20,892.7	37,660.0
Adjustments which will continue current level of service:				
-Additional PCE Endowment earnings supplant GF required for FY2011	-2,780.9	0.0	2,780.9	0.0
Proposed budget decreases:				
-Full funding for Power Cost Equalization based on revised cost projections	-1,360.0	0.0	0.0	-1,360.0
FY2011 Governor	12,626.4	0.0	23,673.6	36,300.0

Component Detail All Funds
Department of Commerce, Community, and Economic Development

Component: Alaska Energy Authority Power Cost Equalization (2602)

RDU: Alaska Energy Authority (453)

	FY2009 Actuals	FY2010 Conference Committee	FY2010 Authorized	FY2010 Management Plan	FY2011 Governor	FY2010 Management Plan vs FY2011 Governor	
71000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
72000 Travel	1.5	0.0	0.0	0.0	0.0	0.0	0.0%
73000 Services	158.5	160.0	160.0	160.0	300.0	140.0	87.5%
74000 Commodities	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	37,400.0	32,000.0	37,500.0	37,500.0	36,000.0	-1,500.0	-4.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	37,560.0	32,160.0	37,660.0	37,660.0	36,300.0	-1,360.0	-3.6%
Fund Sources:							
1004 Gen Fund	9,400.0	11,267.3	16,767.3	16,767.3	12,626.4	-4,140.9	-24.7%
1089 Power Cost	28,160.0	0.0	0.0	0.0	0.0	0.0	0.0%
1169 PCE Endow	0.0	20,892.7	20,892.7	20,892.7	23,673.6	2,780.9	13.3%
General Funds	9,400.0	11,267.3	16,767.3	16,767.3	12,626.4	-4,140.9	-24.7%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	28,160.0	20,892.7	20,892.7	20,892.7	23,673.6	2,780.9	13.3%
Positions:							
Permanent Full Time	0	0	0	0	0	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios With Descriptions
Department of Commerce, Community, and Economic Development

Component: Alaska Energy Authority Power Cost Equalization (2602)

RDU: Alaska Energy Authority (453)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
***** Changes From FY2010 Conference Committee To FY2010 Authorized *****												
FY2010 Conference Committee												
	ConfCom	32,160.0	0.0	0.0	160.0	0.0	0.0	32,000.0	0.0	0	0	0
1004 Gen Fund		11,267.3										
1169 PCE Endow		20,892.7										
Ch 12, SLA2009, Sec 11(e), page 71, line 11 additional funding for Ch 59 (SB88), SLA2009												
	OthApr	5,500.0	0.0	0.0	0.0	0.0	0.0	5,500.0	0.0	0	0	0
1004 Gen Fund		5,500.0										
Subtotal		37,660.0	0.0	0.0	160.0	0.0	0.0	37,500.0	0.0	0	0	0
***** Changes From FY2010 Authorized To FY2010 Management Plan *****												
Subtotal		37,660.0	0.0	0.0	160.0	0.0	0.0	37,500.0	0.0	0	0	0
***** Changes From FY2010 Management Plan To FY2011 Governor *****												
Full funding for Power Cost Equalization based on revised cost projections												
	Dec	-1,360.0	0.0	0.0	0.0	0.0	0.0	-1,360.0	0.0	0	0	0
1004 Gen Fund		-1,360.0										
There is an overall reduction due to lower expenditure projections. A variety of factors play into the projections, including the cost of fuel, number of eligible grantees, and consumption projections.												
RCA PCE Allocation Administration												
	LIT	0.0	0.0	0.0	140.0	0.0	0.0	-140.0	0.0	0	0	0
Line item transfer needed to cover PCE related administrative services provided by Regulatory Commission of Alaska via an RSA with AEA.												
Additional PCE Endowment earnings supplant GF required for FY2011												
	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-2,780.9										
1169 PCE Endow		2,780.9										
Per the Department of Revenue letter dated July 13, 2009, the amount available from the PCE Endowment for FY2011 is calculated to be \$23,834.4 less \$160.8 for the Department of Revenue management fees, an increase of \$2,780.9 over the amount budgeted in FY2010. This allows GF contribution to be decreased by that amount.												
Totals		36,300.0	0.0	0.0	300.0	0.0	0.0	36,000.0	0.0	0	0	0